



APPENDIX B.

CORRESPONDENCE BETWEEN PETITIONER AND RESPONDENT IN
REFERENCE TO THE BEECH-NUT TRADE-MARK.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

6/11/15

LORILLARD Co.,
Middletown, O.

Dear Sirs:

We adopted many years ago as our trade name the word "Beech-Nut" arbitrarily selected by us as the mark or name for our manufacturing output of food material. We also associated with such trade name "BEECH-NUT" and as a part of the trade mark, an oblong or oval frame or border of a red color surrounding and enclosing a white oblong space with a picture or representation of a Beech-Nut centered therein.

We have built up during the last quarter of a century a vast trade in our products and always with our trade name or trade mark associated therewith. We have expended a very large sum of money in so doing and the word or name "BEECH-NUT" and our trade mark has become of vast value to us not only for these reasons but for the reason of a high quality and perfection of the various products manufactured by us to which this name and mark has been applied.

So completely has this name and mark been attached to and associated with our goods during all of these years that the purchasing public has come to recognize this name and mark as our property as to origin and to purchase the manufacture and output to which this name and mark is applied without any further identification as to the origin of the word or name itself, believing that wherever they see

our name and mark applied that we are the manufacturers of the product and purchase accordingly.

We have from time to time added to the variety of our manufacturing commodities to which this name or mark has always been applied; as for example, a chewing gum product of somewhat recent production upon our part. While we have never as yet manufactured tobacco, the taking on of such manufacture in the future is by no means impossible or improbable. You will also see that the name or word "BEECH-NUT" is a part of our corporate name. We have been thus particular to state this matter to you by reason of the acts upon your part which now follow.

We have been shown a lined bag evidently employed for packing "Beech-Nut Scrap Tobacco," apparently manufactured by one of your factories at Middletown, O. A prominent feature upon the bag is our trade name "BEECH-NUT," including the oval band and our characteristics burrs and nuts. It is difficult to believe that the presence of our trade name "Beech-Nut" and mark upon the bag will not deceive the purchasing public in the belief that the contents of the bag are of our manufacture, and to us there is no other explanation to be given to the presence of our trade name "Beech-Nut" and mark upon this bag except the intention on your part that the public shall be so deceived: and you will sell your tobacco by reason of the presence thereon of our name and mark. In other words, these acts strongly indicate to us intentional unfair trading.

We have decided in the first instance to write you fully as to this matter and present to you our view of your acts and to request to you immediately to cease this use of our name and mark and give us written assurance of the same.

We have confidence that now your attention is called to it you will recognize the justice of our position and that there will hereafter be no necessity of using any harsher course to enforce recognition of the same. We have been thus particular also for the reason that there can be no contention

hereafter that we have not fully stated your position and ours in this matter. An early reply upon your part is requested and expected.

Yours very truly,

BEECH-NUT PACKING Co.,
F. E. Barbour.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

6/18/15.

P. LORILLARD Co.,
Middletown, O.

Dear Sirs:

Will you kindly advise if we may expect an early reply to our recent communication with reference to the use of the word "Beech-Nut" in connection with your new brand of chewing tobacco?

Yours very truly,

BEECH-NUT PACKING Co.,
F. E. Barbour.

June 23, 1915.

BEECH-NUT PACKING COMPANY,
Canajoharie, N. Y.

Dear Sirs:

Your letters of June 11th and June 18th addressed to this Company at Middletown, Ohio, relative to the use by us of the name "Beech-Nut" for Scrap Tobacco, have been referred to me.

Preliminary to any discussion of the matter, will you be good enough to let me know when you first began to use the name "Beech-Nut?" I notice on your letterhead, "Incorporated 1899," but this of course does not necessarily mean that you began to put products on the market under the name "Beech-Nut" at that time.

The statement in your letter of June 11th, that you believe we are using the name "Beech-Nut" with the intention that the public shall be deceived into thinking that our product is of your manufacture, is not only without the slightest warrant, but is little short of ridiculous. As a matter of fact, if such an impression should be formed, it would be to our detriment.

Yours very truly,

TSF/L

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

P. LORILLARD Co.,
119 W. 40th St.,
New York.

7/2/15.

Mr. Thomas S. Fuller.

Dear Sirs:

Your favor of the 23rd ult. duly received.

Our "BEECH-NUT" trade mark and trade name has been used by ourselves and our predecessors since and prior to the year 1891. Both our trade mark and our trade name "BEECH-NUT" has been used continuously since that date in our business and to such an extent and in such manner that both the name and the mark long since came to have a "secondary significance and meaning"; that is, wherever the mark and name "BEECH-NUT" is seen and no matter with what product it is associated with, it has a "secondary significance" and means only the product and products of the Beech-Nut Packing Company.

You are woefully mistaken and entirely misinformed in your assumption and, indeed, your statement that the public is not deceived by your clients use of our trade mark and name "BEECH-NUT." We know as an absolute truth what is apparent on the face of the facts that the general purchasing public is deceived by your use of our "Beech-Nut" trade mark and trade name and, indeed, this could not well be otherwise, but we know further that your salesmen and agents deliberately push your goods and trade under this identity of use of their mark and name.

We beg to call your attention in this connection to our former communication to you in this matter and to again urgently request that you immediately stop the use in every way and manner of our trade name and mark "BEECH-NUT," in your business without further action upon our part.

Yours very truly,

BEECH-NUT PACKING Co.,
F. E. Barbour.

July 8, 1915.

BEECH-NUT PACKING COMPANY,
Canajoharie, New York.

(Attention F. E. Barbour, Esq.)

Gentlemen:

We have your letter of July 2nd, further with reference to our use of the name "Beech-Nut" on scrap tobacco, and informing us that you and your predecessors have used the name since and prior to the year 1891.

That the name "Beech-Nut" has acquired a secondary significance and meaning in the packing industry and is associated in the public mind with goods of your manufacture may be perfectly true, but this would not give you the right to the name for all purposes. The authorities are overwhelming on this subject. You seem to proceed upon the assumption that we have recently begun to use the name on the tobacco. This is not the case. This Company and its predecessor in ownership of this brand have used it continuously since prior to the year 1898, as shown by records in my office. I have not made a search beyond that time, but I have no doubt that I can find that the brand is very much older.

We would not desire to have it thought that our "Beech-Nut" tobacco is made by your Company, and if you can give us the name of any salesman of ours who has made such a representation, we would be very glad to have it, and we can assure you that if he did make such a representation, his discharge will immediately follow. It could be of no conceivable advantage to us to have the public think that our tobacco product was manufactured by a packing establishment. Our concern has been in business for more than one hundred and fifty years, and in that length of time has built an enviable reputation for the excellence of its tobacco products.

Though you may turn out an excellent quality of bacon, it does not follow that you could turn out an excellent quality of tobacco, or steel rails, or pianos or aeroplanes. If your contention were true, we, who have a brand of tobacco called "Climax," could enjoin the use of the name on a well-known threshing-machine which is sold in the Western States, or we could enjoin the use of our name on the Lorillard Refrigerators. It has never occurred to us to attempt either.

If you will look at our package of Beech-Nut Tobacco, you will see that the name "Lorillard" is prominently displayed thereon. This was done with the desire that people should know the tobacco is coming from the Lorillard Company. It has been our belief that the fact that Lorillard made it would of itself be of value to the brand.

It is difficult to see how you can seriously claim that there is the slightest similarity in the marking of the package and the fac-simile of your mark as displayed on your letterhead.

If you desire me to point out to you authorities which I consider completely sustain my view as expressed herein, I will take pleasure in doing so.

Yours very truly,

TSF/L

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

7/26/15.

P. LORILLARD Co.,
119 West 40th St.,
New York.

Thomas S. Fuller.

Dear Sirs:

Please pardon the delay in acknowledging receipt of your favor of July 8th.

We will greatly appreciate it if you will send us samples of your product showing the manner of use of the word "BEECH-NUT" since the year 1898, copies of advertisements or of letter-heads showing your use of this name. We trust you will consider this a fair request as we would like to reach a prompt and friendly termination of the correspondence on this subject.

We also desire to take advantage of the offer contained in the last paragraph of your letter to point out to us the authorities which sustain your views.

Thanking you in advance for the information requested herein, we remain,

Yours very truly,

BEECH-NUT PACKING Co.,
F. E. Barbour.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

9/2/15.

MR. THOS. S. FULLER,
119 W. 40th St.,
New York.

Dear Sirs:

Kindly refer to your favor of July 29th in which you advised that you would collect the information requested in our letter of July 26th after your return from a week's absence. Up to the present we do not seem to have heard from you and will greatly appreciate the information requested.

In this connection, we received today an inquiry from New River Gro. Co., Hinton, W. Va., asking the best jobbing price on Beech-Nut scrap tobacco, from which you will note that in the minds of some, at least, Beech-Nut scrap tobacco is credited to the Beech-Nut Packing Co.

Thanking you to favor us at your early convenience, we remain,

Yours very truly,

BEECH-NUT PACKING Co.,
F. E. Barbour.

September 15, 1915.

F. E. BARBOUR, Esq.,
BEECH-NUT PACKING COMPANY,
Canajoharie, N. Y.

Dear Sir:

I have been able to locate some old price lists which contain our Beech-Nut Scrap Tobacco, and enclose them herein. I am also sending you an old package showing the use of the name "Beech-Nut" and our present package.

Beech-Nut chewing and smoking tobacco (scrap) was made by Harry Weissinger Tobacco Company, of Louisville, Kentucky. This Company was bought out by The American Tobacco Company some time in 1903. Prior to the acquisition of the Weissinger Tobacco Company by the American Tobacco Company the Luhrman & Wilbern Tobacco Company of Middletown, Ohio, was acquired by the Continental Tobacco Company. In 1904 the American Tobacco Company and the Continental Tobacco Company were merged into a new company formed for that purpose and known as The American Tobacco Company.

Under a decree of the Circuit Court of the United States for the Southern District of New York, the so-called Tobacco Combination, which included The American Tobacco Company, was split up. In this disintegration proceeding the Luhrman & Wilbern Tobacco Company, which had always been maintained as a separate entity, was acquired by P. Lorillard Company. In the meantime some of the brands formerly manufactured by the Weissinger Tobacco Company had been taken over and manufactured in the Luhrman & Wilbern factory in Middletown, and after the acquisition by our Company of the Luhrman & Wilbern business, including these brands, we continued to operate it as a separate Company until about two years ago, when we dissolved it, taking over all of the business and brands directly in our own name.

I give you this history so that you may understand the various price lists in the name of Luhrman & Wilbern Tobacco Company and the package in the name of Harry Weisinger Tobacco Company. I do not know the exact date of the old package, as the stamp is not legible, but it was prior to 1903.

The price lists that I send you are dated January 2, 1904; May 6, 1907, July 1, 1910, and November 3, 1910.

It is difficult for me to see how anyone can claim that there is any similarity in our products and yours, or in your label and ours, other than the name "Beech-Nut." Your claim that we would not have the right to use the name "Beech-Nut" on tobacco products must find its basis in the idea that you can appropriate the name "Beech-Nut" for all products of whatever character.

That the law does not permit of such a claim is elementary. If your claim were maintainable, then the Lion Brewery in New York could enjoin the manufacture of Lion brand collars, or vice versa. Suppose that the J. B. Williams Company should tomorrow put out a new brand of shaving soap, called "Beech-Nut." Do you argue that you could stop it because you have first used the name on hams and bacon? It seems to me that your argument must lead to this conclusion. The law of unfair competition, so far as it assumes to protect the public, assumes to protect the purchaser of average intelligence. It is difficult to believe that a person of average intelligence who enters a store for the purpose of buying "Beech-Nut" hams or bacon could be deceived into thinking he was getting either if he were handed a package of "Beech-Nut" chewing tobacco, or that the "Beech-Nut" chewing tobacco was manufactured by the manufacturer of the hams and bacon. It is no more the custom in this country for a packer to manufacture chewing tobacco than it is for a manufacturer of beer to manufacture collars, and the purchaser of average intelligence perfectly well knows this.

We have tried to make it evident on our package that our "Beech-Nut" chewing tobacco is of our manufacture, by stamping across the top of the package, before the name "Beech-Nut," "Lorillard's." We have also on the other side of the package, plainly printed that it is manufactured at Middletown, Ohio. There is nothing in the get-up of the label, whether in design, color or wording, which could suggest to a person of average intelligence that it was of your manufacture, or in fact the manufacture of anyone except the Lorillard Company.

As I have written you before, we consider it of immense value to the brand itself that it is manufactured by the Lorillard Company, and we desire the consumers of tobacco to know this, because we believe that the Lorillard name carries with it a vast amount of good-will and a guarantee of excellence. We are justified in this belief by reason of the immense increase in the sales of "Beech-Nut" Scrap since we took the former manufacturer's name off and put "Lorillard's" thereon.

I think this covers the situation except with respect to any representations which you claim that some of our salesmen made, to the effect that our "Beech-Nut" Scrap was a product of your Company. I have written you before that if you will give me the name of any salesman who has made such representation, and that fact can be determined, his discharge will be immediately forthcoming, as he can be of no service to us. If you will point out to me anything in the conduct of our business which tends to create a belief in the trade that our "Beech-Nut" Scrap is made by you, we will thank you, so that we may rectify it. I assure you that we are just as anxious as you are, if not more so, to prevent any impression that our tobacco is made by you. Will you let me have a copy of the letter you received from the merchant in West Virginia making inquiry of you for "Beech-Nut" tobacco?

On this general subject, if you have not already done so, you might consult Nims on Unfair Business Competition,

pages 200 to 300; therein I think you will find a very complete and satisfactory discussion of the law governing this subject. I will quote you paragraph 117 on page 236:

"Property in a place name for all purposes cannot exist in one person, under ordinary circumstances. The defendant must be using it in the same or a similar business as the plaintiff. Large amounts of rubber as well as licorice might be found in Anatolia. If there were, the rights which the complainant has acquired in the use of the name in the licorice business, would not prevent another under certain conditions from acquiring a sole right to use the name in the rubber trade."

There is no distinction so far as the principle here laid down is concerned between a place name, a generic name, or a fanciful name. You might also consult the cases of *Bordens Ice Cream Company against Bordens Condensed Milk Company*, 201 Fed. 510 and *Wells v. Ceylon Perfume Company*, 105 Fed. 621.

I apologize for the length of this letter. I desire to give you the facts fully, together with our views, and I sincerely hope that this will satisfy you as to the law and our entire good faith. We are as proud of our good will and the excellence of our products in the tobacco business as you are of yours in the packing industry, and we believe with good reason.

Yours very truly,

(Sgd.) THOS. S. FULLER.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

9/20/15.

MR. THOS. S. FULLER,
119 West 40th St.,
New York.

Dear Sir:

We have your very interesting letter of Sept. 15th together with the pricelists referred to and the package of tobacco.

Your letter is a very interesting one and before giving a definite reply to same, desire to review the matter as presented by you so that we can give you an intelligent reply.

At this time, however, we may express our agreement with you that the name Lorillard carries with it a vast amount of good will and unquestionably a guarantee of excellence. So does the name "Beech-Nut Packing Co." and we take the view that the increase in sales of Beech-Nut Scrap Tobacco is due to the exploitation of the name "Beech-Nut" with the oval label, and we cannot help but assume that the general impression is that these goods are manufactured by this Company rather than by Lorillard, at least to a considerable degree, for since writing you last we have another inquiry, and this time from Wm. Edwards Co. of Cleveland, O., asking us to ship them 5 cases of Beech-Nut scrap tobacco. The previous inquiry came from New River Gro. Co., Hinton, W. Va.

Yours very truly,

BEECH-NUT PACKING Co.,
F. E. Barbour.

June 28, 1919.

BEECH-NUT PACKING COMPANY,
Canajoharie, New York.

Gentlemen:

Some four years ago, there occurred a correspondence between the two companies begun by your Mr. F. E. Barbour's letter of June 11th, 1915, complaining of our use of "BEECH-NUT" for tobacco products. Several letters having intervened, we wrote you on September 15th, 1915, setting forth at some length the title to and use of this trade-mark for tobacco products, asserting our ownership of it for tobacco products and denying that you had cause or right to call this ownership in question. Your response was an acknowledgment, dated September 20th, 1915, characterizing our letter as very interesting and stating that before giving definite reply you desired to review the matter presented by us so that you could give us an intelligent reply.

On your part, there the matter was dropped, you having made no further reply or objection. On our part we have continued the manufacture and sale of tobacco products under the trade-mark "BEECH-NUT" until today it is one of the leading tobacco trade-marks of this country.

On or about the 17th of this month information came to us of small shipments to two jobbers in this locality of cigarettes bearing the trade-mark "Beech-Nut" and your name, but manufactured by The American Tobacco Company. Our counsel immediately by phone took the matter up with Mr. Junius Parker, counsel for the Tobacco Company and, on being told by Mr. Parker that the Tobacco Company did not claim any title to the trade-mark, but was manufacturing cigarettes under it for your account, our counsel asserted our ownership of the trade-mark for tobacco products and demanded that the Tobacco Company cease making these cigarettes. We now have Mr. Parker's letter dated June 25th, 1919, stating that the Tobacco Company has

"easily and definitely concluded" not to manufacture any tobacco products under the name "Beech-Nut." We do not enclose copy of this letter, as we take it for granted that the Tobacco Company has made you fully cognizant.

We very much hope that further consideration will bring you to a like conclusion, as we must and do insist that you respect our rights and cease using "Beech-Nut" as a trade-mark for cigarettes. You have never heretofore used this trade-mark for tobacco products. Indeed, you have never heretofore manufactured or sold any tobacco products, but always goods of an entirely different class. "BEECH-NUT" has been used by ourselves and our predecessors in title for many, many years as a trade-mark for tobacco products, and under numerous decisions this gives us ownership of the trade-mark "BEECH-NUT" for cigarettes.

We are mailing a duplicate original of this letter to your New York Office.

Yours very truly,

P. LORILLARD COMPANY,
President.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

July 7, 1919.

P. LORILLARD Co.,
119 West 40th St.,
New York City.

Mr. Thomas J. Maloney.

Dear Sirs:

At the request of Mr. B. Arkell, you are advised in Pittsburgh, Pa., there is a firm trading under the name of Beech-Nut Stogie Co. It is our understanding that this firm markets Beech-Nut Big Havana Stogies.

On 5/25/18 our Pittsburgh salesman sent us an order for shipment of Beech-Nut Gum to H. Myers, 305 Wood St., Pittsburgh, Pa. This party re-ordered under the name of Beech-Nut Stogie Co.

Yours very truly,

BEECH-NUT PACKING Co.,
W. C. Arkell.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

July 7, 1919.

P. LORILLARD Co.,
119 West 40th St.,
New York City.

Mr. Thomas J. Maloney.

Dear Sirs:

Wm. A. Stickney Cigar Co., 105 West 2nd South, Salt Lake City, Utah, has written us requesting us to make shipment to Fred Vogel, Ogden, Utah, of 5 gross Beech-Nut Scraps.

We are writing them that this product is made by your concern.

Yours very truly,

BEECH-NUT PACKING Co.,
W. C. Arkell.

July 9, 1919.

"BEECH-NUT."

MR. W. C. ARKELL,
c/o BEECH-NUT PACKING COMPANY,
Canajoharie, N. Y.

Dear Sir:

I have your two letters of the 7th inst.—one calling to our attention the manufacture of "BEECH-NUT" Big Havana Stogies by the Beech-Nut Stogies Company of Pittsburg, Pa., and the other calling our attention to an order received by you from Wm. A. Stickney Cigar Co., for 5 gross of "BEECH-NUT" Scrap, and enclosing copy of your reply to the Cigar Company.

We thank you very much for this information and the same shall have our prompt attention.

Yours very truly,

P. LORILLARD COMPANY,
(Sgd.) THOS. J. MALONEY,
President.

TJM/ELM

July 15, 1919.

MR. BARTLETT ARKELL, President,
BEECH-NUT PACKING Co.,
New York City.

Dear Mr. Arkell:

Pursuant to our interview, I am sending you by registered mail, under separate cover, a sample of the old package for BEECH-NUT cigarettes, also one showing color scheme for the new package.

The new package will carry the same printing and gilt as the old package, except that the printing on the reverse side of the new package will be: "Cigarettes of this quality have never before been offered to the public. Guaranteed by P. Lorillard Company (Established 1760)." in lieu of that now appearing on the old package.

The color scheme we have adopted for the new package is not only strikingly different from the old package, but it is a distinctly new color, in so far as we know. Our lithographer tells us it is a recently "created" color.

In making this change we are destroying wrapping and advertising material that cost us \$10,231.36. I mention this, as I feel sure you will not permit us to suffer such a loss in accommodating ourselves to your wishes.

Yours very truly,

President.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

Room 1818, 120 Broadway, New York City.

July 17, 1919.

MR. THOMAS J. MALONEY, President,
P. LORILLARD COMPANY,
119 West 40th Street,
New York City.

Dear Mr. Maloney:

I am in receipt of your courteous favor of the 15th inst. together with sample packages, which I will submit to my associates, and also to our counsel. As soon as I hear from them, I will take the matter up further with you.

I do not understand the last paragraph of your letter. Do you mean that we should pay for all, or part of, the loss which you suffer, or what? If so, such a request is not in accord with my recollection of our interview.

Yours sincerely,

BEECH-NUT PACKING Co.,
BARTLETT ARKELL,
President.

LAW OFFICES OF OFFIELD & POOLE.

Attorneys and Counselors.

1225 Monadnock Building, Chicago.

JAMES R. OFFIELD.

CHARLES H. POOLE.

July 22nd, 1919.

MR. W. C. ARKELL,

c/o BEECH-NUT PACKING COMPANY,

Canajoharie, New York.

In Re Beech-Nut Stogie Company.

Dear Sir:

In reply to your letter of June 10th, the fact that you were aware of the existence of the Beech-Nut Stogie Company and have actually filled their orders with your goods without making any complaint will, of course, have a bearing upon the question of damages in the event you sued them, but I doubt if it would have any bearing upon your right to stop the use by them of your mark. Of course, the time to have taken the matter up was upon the first shipment but that is now past and I think it would be a good idea to call this matter to the attention of the Lorillard Company and let them take steps against the Beech-Nut Stogie Company as they are in a much better position to do so than the Beech-Nut Packing Company.

Very truly yours,

(Sgd.) JAMES R. OFFIELD
for O. and P.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

Room 1818, 120 Broadway, New York City.

July 25th, 1919.

MR. THOMAS J. MALONEY, President,
P. LORILLARD COMPANY,
119 West 40th Street,
New York City.

Dear Mr. Maloney:

I am enclosing letter addressed by our counsel, Mr. Of-
field, to my son, William Clark Arkell, in reference to the
Beech-Nut Stogie Company, thinking that you would be in-
terested in same.

Yours sincerely,

B. ARKELL.

Enclosure
Cy/Canajoharie.

July 28, 1919.

MR. BARTLETT ARKELL, President,
BEECH-NUT PACKING COMPANY,
Room 1818, 120 Broadway,
New York City, New York.

Dear Mr. Arkell:

I have your letter of the 25th, enclosing letter from your counsel, Mr. Offield, to your son, Mr. William Clark Arkell, in reference to the Beech-Nut Stogie Company.

We are now opposing in Washington an attempted registration by this concern of the name "Beech-Nut" for some tobacco products. This is the beginning of measures which we hope will result in stopping the use of the name by this concern for tobacco products.

I also received your letter of the 17th, with respect to the sample package sent you, and as to which I hope you will find yourself in position to reply at an early date.

You state you do not understand the last paragraph of my letter of the 15th. Should we change from the label we had adopted for "BEECH-NUT" cigarettes, it will result in our being unable to use the labels and advertising and wrapping material which we had procured for this brand of cigarettes, and which cost us the figures stated in my letter. Mr. Perkins mentioned this to you—though not the figures—in our interview when you were here. There was no discussion of the point. It seems to me that we should not stand this loss and that you would not wish us to stand the loss, inasmuch as any change that we might make would be simply to accomodate ourselves to your wishes.

Yours very truly,

President.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

August 7, 1919.

P. LORILLARD COMPANY,
119 West 40th Street,
New York.

Mr. Thomas J. Maloney.

Dear Sirs:

Our President, Mr. Arkell, was here yesterday and your letter of July 28th was presented at a meeting of our Executive Committee.

In discussing the situation, a suggestion was made which possibly has not occurred to you, and therefore we are submitting it to you for your consideration. In view of the splendid success of your Beech-Nut Scrap Tobacco, would it not be worth while to simulate your Beech-Nut scrap tobacco package in a wrapping for your cigarettes: in other words, use for your cigarettes a form of label which will immediately apprise the prospective purchaser that the cigarettes are made by the same company making the popular Beech-Nut tobacco, and tie up the advantage and publicity you have already gained through the merchandising of that product. Our thought in regard to the above is prompted by the procedure of the Patterson Co. in connection with their Lucky Strike Smoking Tobacco and Lucky Strike Cigarettes.

Should you not care to follow the suggestion offered above, we hope you will abandon the red background and change the same to blue or some other color, and we would like to see the words "Beech-Nut Brand" a straight line instead of a curve, provided you could work out this idea to your satisfaction.

Mr. Arkell has no recollection of hearing mentioned the advertising matter or wrappings you have provided for your Beech-Nut cigarettes, and while Mr. Lipe recollects some mention made of it, no reference, as far as he can recall, was made in regard to the quantity and neither of these gentlemen gained the inference that you would expect the Beech-Nut Packing Co. to absorb the cost of these supplies.

Yours very truly,

BEECH-NUT PACKING Co.,
F. E. Barbour.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

Room 1818, 120 Broadway, New York City.

August 9, 1919.

MR. THOMAS J. MALONEY, Pres.
P. LORILLARD Co.,
119 West 40th Street,
New York City.

My dear Mr. Maloney:

I am enclosing copy of letter written by my son relative to the Beech-Nut Stogie Company, at Pittsburgh.

Yours sincerely,

B. ARKELL.

Enclosure.

August 8, 1919.

MR. JAMES R. OFFIELD,
1225 Monadnock Building,
Chicago, Ill.

Dear Sir:

We are in receipt of a communication from Mr. V. P. Burby our Pittsburgh representative under date of August 5 as follows:

"The Beech-Nut Stogie Co. is not incorporated. Mr. H. Meyers trades under the name. Mr. Meyers mentioned the other day that A. Schulte, who operate a string of Cigar Stores in New York, recently offered \$5000.00 per year for the use of the name. This may be bunk but I thought it might be of interest.

Mr. Meyers claims he has secured a copyright on the word Beech-Nut for stogies."

We have answer as per attached copy. We are also sending copy of this letter to Mr. B. Arkell with the thought that he will call it to the attention of the Lorillard people.

Yours very truly,

BEECH-NUT PACKING COMPANY.

August 27, 1919.

MR. F. E. BARBOUR, Secretary,
BEECH-NUT PACKING COMPANY,
Canajoharie, New York.

Dear Sir:

Your letter of the 7th has been received and its contents noted, and we appreciate very much your suggestion of our use for the cigarette package of the design now upon our scrap package. This thought occurred to us when we were originating the package for the cigarette and was tried out, with the result that in our opinion the design was not adaptable to a package the size of a cigarette package.

The matter of the oval upon the package was mentioned by Mr. Arkell, but he did not press the point against our objection, the only things remaining for discussion between us being the color of the background of the package and the wording as respects "BEECH-NUT" quality. In the light of this interview the sample which we sent you made changes in both these respects, and we still very much hope that it will prove acceptable.

Indeed, your averseness to assuming the loss which a change in wrapping material would occasion us indicates that the matter is of such small importance to you as not to justify further consideration, for you could not expect us to bear the loss of changes made just to accommodate ourselves to your wishes.

As we are anxious to get along with this matter, will you not let us have your prompt and full answer.

Very truly yours,

President.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

8/28/19.

P. LORILLARD Co.,
119 West 40th St.,
New York City.

Mr. Thomas J. Maloney.

Gentlemen:

Your letter of the 27th is received and the same will have prompt consideration.

Yours very truly,

BEECH-NUT PACKING Co.,
F. E. Barbour.

September 17, 1919.

MR. BARTLETT ARKELL, President,
BEECH-NUT PACKING COMPANY,
Room 1818, 120 Broadway,
New York City, New York.

Dear Mr. Arkell:

Although from my interview and correspondence which ante-dated your application for the registration of "BEECH NUT" for cigarettes, makes me feel sure that you did not intend to press this application, the appearance of a notice of it in the "Official Gazette" of September 9th compels us to file a formal opposition in order that the registration may not become complete through our default.

I am writing you in advance of the filing of this opposition, so that you will understand the circumstances.

I hope that you may be able to let me hear at an early date something further as to the proposed package for "BEECH NUT" Cigarettes.

Very truly yours,

(Sgd.) T. J. MALONEY,
President.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

Room 1818 120 Broadway, New York City.

September 19th, 1919.

MR. THOMAS J. MALONEY, President,
P. LOBILLARD Co.,
119 West 40th Street,
New York City.

Dear Sir:

I take the liberty of acknowledging receipt of your courteous favor of the 17th inst. which has arrived during Mr. Arkell's absence from the city.

It is expected that Mr. Arkell will return to the city the forepart of the coming week, at which time your letter will be placed before him for his attention.

Yours very truly,

M. E. CARROLL,
Secretary to Mr. Arkell.

BEECH-NUT PACKING COMPANY
CANAJOHARIE, N. Y.

Room 1818 120 Broadway, New York City.

September Twenty-second, 1919.

MR. THOMAS J. MALONEY, President,
P. LORILLARD COMPANY,
119 West 40th Street,
New York City.

My dear Mr. Maloney:

I appreciate, and understand thoroughly, your courteous favor of the 17th inst.

I take it for granted that the application for registration of Beech-Nut Cigarettes was a procedure advised by our Legal Department. I understand that Mr. Offield, who has offices in Chicago, and who has these matters in charge, has been in California and for that reason there has been this unusual delay. Or it may be that we felt that our suggestions as to your package should have been regarded in a more favorable light by you.

Yours sincerely,

BARTLETT ARKELL.

BEECH-NUT PACKING COMPANY

Oct. 8, 1919.

MR. THOMAS J. MALONEY,
Pres. P. LORILLARD Co.,
119 West 40th Street,
New York City, N. Y.

Dear Mr. Maloney:

We have just had a communication from our attorney regarding our application for the registration of our trade-mark "Beech-Nut" for cigarettes. It is his opinion that this application should stand in the Patent Office in order to preserve the rights of the Beech-Nut Packing Company and that no doubt your attorneys will advise the filing of a formal opposition against this registration to preserve any rights that you may have, and that it would be unwise for us to abandon this application for registration without contest unless we reach some definite agreement.

Up to the present time we have come to no final understanding and as the matter stands to date you have agreed to make certain changes in your label and submit your proposed changes to us, but have asked us to assume the loss which your company will incur by reason of making such change.

We do not feel disposed to reimburse your company for losses sustained by reason of adopting trade-mark and common law property which rightfully belongs to this company although such adoption may have been a mistake on the part of those in your employ who prepare such illustrative matter.

Briefly stated, our position is this—That regardless of the trade-name or mark "Beech-Nut" your company adopted our oval trade-mark and our general color scheme and other embellishments for your cigarette package, and this your company had no right to do regardless of any rights that

you may have had in so far as the name "Beech-Nut" is concerned.

From a pure equitable standpoint we therefore believe that you should make the necessary changes so that there will be no similarity as to designs or marking upon the package other than the name "Beech-Nut."

The mistake, we believe, is due entirely to your organization and therefore this company should in no wise contribute to its correction. On the other hand, we are advised that for a sum less than the amount which you have suggested we contribute to reimburse you for the necessary changes, our legal rights could be determined and regardless of what the court might hold as to our respective rights in the trade-name "Beech-Nut" we are assured that a court would sustain our contentions as to the subject-matter which we now ask you to abandon.

Of course we know that lawyers cannot always foretell the outcome of any litigation on any given set of facts, and contests of this kind are undesirable to both parties.

The matter has been given very thorough consideration by us and we feel that your package should be changed and that such changes should be made at your expense. Our other differences, such as the opposition proceeding, can be very readily adjusted after we have definitely agreed upon the main issue, and we should be pleased to hear from you further.

Very truly yours,

BEECH-NUT PACKING Co.,
F. E. Barbour.

October 15, 1919.

Mr. F. E. BARBOUR, Secretary,
Beech-Nut Packing Company,
Canajoharie, New York.

Dear Sirs:

Replying to your letter of the 8th inst., this Company has not adopted any trade-mark or common-law property or design or color scheme or other embellishment belonging to your Company, nor have we agreed to make changes in our labels.

When knowledge of your attempted marketing of a "BEECH NUT" Cigarette reached us, we at once wrote asserting our ownership of the trade-mark "BEECH-NUT" for all tobacco products and asked your Company to respect this ownership. There followed an interview with Mr. Arkell and Mr. Lipe. In this interview it developed that the only real matters in difference as respects our use of the trade-mark "BEECH-NUT" for cigarettes were the color of the background and the wording of the catch-phrase on our proposed package of "BEECH-NUT" cigarettes, and we promised to submit a sample package with a different background and a different catch-phrase, in an endeavor to see if these differences could not be amicably adjusted, stating to you at the time, however, that if we did come to an agreement in this respect it would involve the loss of material we had already bought and that this loss should be borne by your Company. We subsequently submitted the sample as promised.

What we did and said in this connection was without any waiver of our rights and without recognition of any right in your Company to require any such change; but solely as explained in the interview and as we have tried to make plain in our correspondence, in a friendly endeavor to get together in this matter. Our ownership of the brand

"BEECH-NUT" for all tobacco products is clear and we are exercising our ownership of this brand, including the proposed package for "BEECH NUT" Cigarettes, in an entirely legal manner.

If we have failed in this endeavor, as your letter seems to indicate and which we sincerely regret, will you kindly return the sample package which we sent you.

Very truly yours,

President.